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REV 02/14

COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY

SAN JUAN, PUERTO RICO

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PO BOX 364267
GENERAL POST OFFICE
SAN JUAN, PR 00935-4267

October 31, 2014

CERTIFIED MAIL WITH RETURN RECEIPT
7013 1710 0002 1926 5658

Mr. Roberto De Soto
Manager Finance Department
MAPFRE PRAICO Insurance Company
PO Box 70333
San Juan, Puerto Rico 00936-8333

Dear Mr. De Soto:

Re: Default of Master Link Corporation with Contract 2011-P00067 (Rehabilitation of Culebra Generators Building) Bond Number 1301108000611 (Performance Bond)

On January 3, 2011, the Electric Power Authority (Authority) and Master Link Corporation (Master Link) executed Contract 2011 P00067 with the purpose of rehabilitating the building of the emergency generators that serve as backup to the municipality of Culebra (Contract). This, for a cost of \$ 2,581,583 .87. On October 7, 2014, the Authority notified Master Link of its failure to comply with the terms and conditions of the Contract and therefore proceeded to terminate said Contract. Subsequently, on October 22, 2014 Master Link was suspended from the Suppliers Registry of the Authority for a term of six months. This, in addition, in accordance with the provisions of the Bidding Regulations of the Authority.

Given the foregoing, in accordance with the terms and conditions of the Contract and the Performance Bond document 1301108000611, issued by MAPFRE PRAICO Insurance Company on October 27, 2010, we request that such bond be executed in accordance with the provisions of the same.

[Initials]

"We are an equal employment opportunity employer and do not discriminate due to race, sex, age, social or national origin, social condition, political affiliation, political or religious ideas, against victims or perceived victims of domestic violence, sexual aggression or harassment, regardless of civil status or sexual orientation, gender identity or immigration status, physical or mental disability, or both, veteran status or genetic information."

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Mr. Roberto De Soto

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Enclosed for your knowledge and action is a copy of the following documents: (1) contract signed by the parties on January 3, 2011 and its amendments; (2) letter of October 7, 2014 declaring the default by Master Link; (3) the notification of suspension from the Suppliers Registry of the Authority of October 22, 2014; (4) and the bond document of October 27, 2010.

If you require additional information on the foregoing, you may contact Mr. Leandro A. Faura Rodríguez, Risk Manager, at (787) 521-4587.

Cordially,

[Signature]

Jorge A. Concepción Rivera

Director of Legal Affairs

Enclosures



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